

Message Text

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EYES ONLY SECRETARY AND SECRETARY-DESIGNATE FROM
AMBASSADOR

E.O. 11652: GDS
TAGS: ENRG, ETRD, PFOR, SA
SUBJECT: CROWN PRINCE DISCUSSES MIDDLE EAST PEACE AND
BOYCOTT ISSUES WITH ARAMCO CHAIRMAN

REF: JIDDA 8335

FOLLOWING IS MESSAGE TO ME FROM FRANK JUNGERS, ARAMCO
CHAIRMAN. IT PRESENTS ESSENTIALLY SIMILAR INFORMATION AS THAT
CONTAINED REFTEL, WHICH WAS FROM DIFFERENT SOURCE, BUT IT GIVES
MORE DEFINITE PICTURE OF SAUDI ARABIAN POLICY AND VIEWS.
BEGIN QUOTE

1. ARAMCO CHAIRMAN FRANK JUNGERS TOLD CONGEN BUSHNELL
DEC. 28 OF HIS LONG (2-1/2 HOUR) CONVERSATION WITH CROWN PRINCE
FAHD DEC. 27 IN RIYADH. PRINCE FAHD HAD ASKED JUNGERS TO
COME TO RIYADH TO DISCUSS IN DETAIL A RECENT APPROACH BY COMMERCE
MINISTER AS-SOLAYM TO ARAMCO'S RIYADH REP CONCERNING BOY-
COTT MATTERS AND SAG THINKING ABOUT US-SAUDI RELATIONS AND
PROSPECTS FOR A MIDDLE EAST PEACE SETTLEMENT. ACCORDING
TO JUNGERS, PRINCE FAHD HAD OBVIOUSLY GIVEN A GREAT DEAL OF
THOUGHT TO THE MATTERS UNDER DISCUSSION, AND SPOKE ALMOST WITHOUT
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INTERUPTION FOR AN HOUR AND A HALF.

2. THE CROWN PRINCE FIRST REFERRED TO SAG'S ANXIETY ABOUT THE
POSSIBILITY OF EXTREMELY STRINGENT ANTI-BOYCOTT LEGISLATION EARLY
IN THE JANUARY SESSION OF CONGRESS. MINISTER SOLAYM HAD BEEN
ASKED TO REQUEST THE ASSISTANCE OF ARAMCO'S AMERICAN MANAGE-

MENT IN DEVELOPING AND EFFECTIVE OPPOSITION TO THE ANTI-BOYCOTT CAMPAIGN. SAG BELIEVES ARAMCO AND THE US FIRMS OPERATING IN SAUDI ARABIA MUST "STAND UP AND BE COUNTED," MAKE THEIR OPINIONS KNOWN CONCERNING THE BOYCOTT ISSUE, AND ACTIVELY OPENLY OPPOSE THE ZIONIST LOBBY IN THE U.S. SAUDI ARABIA CAN, AND WILL IF NECESSARY, HE SAID, SHIFT TO NON-US SUPPLIERS OF GOODS AND TECHNOLOGY IF US LAWS OR ANTI-BOYCOTT ACTIVITIES BECOME TOO UNREASONABLE. SAG HOPES TO AVOID THAT EXTREME STEP, HOWEVER, BECAUSE OF ITS PREFERENCE FOR US GOODS/TECHNOLOGY AND BECAUSE THAT ECONOMIC BREAK WOULD UNQUESTIONABLY SEVERLY DAMAGE US-SAUDI RELATIONS IN GENERAL.

3. PRINCE FAHD DISCUSSED US CONGRESSIONAL AND PRESS OPPOSITION TO THE SALE OF ARMS FOR SAUDI ARABIA "NOT AS A COMPLAINT, BUT AS AN EXAMPLE OF HOW UNREASONABLE THE SITUATION CAN BECOME." EVERYONE KNOWS, HE SAID, THAT SAUDI ARABIA DOES NOT HAVE A STRONG MILITARY FORCE AND DOES NOT HAVE ENOUGH EQUIPMENT TO EVEN THINK OF FIGHTING WITH ISRAEL.

4. TURNING THEN TO WHAT JUNGERS FELT WAS HIS MAJOR PREOCCUPATION AND THE REAL REASON FOR THE MEETING, PRINCE FAHD SAID THE MIDDLE EAST IS "RIPE" FOR A PEACE AGREEMENT AND HE WANTS TO DO EVERYTHING POSSIBLE TO HELP BRING ABOUT A SETTLEMENT. OF 21 ARAB NATIONS, ONLY FOUR WOULD NOT BE HELPFUL, I.E., ARE NOT UNDER RELATIVELY MODERATE LEADERSHIP: IRAQ, LIBYA, ALGERIA, SOMALIA. THE CROWN PRINCE BELIEVES, HOWEVER, THAT SAUDI ARABIA CAN BRING ALGERIA AROUND TO A MORE MODERATE POSITION BECAUSE OF ALGERIA'S NEED FOR MONEY.

5. SAUDI ARABIA CONTINUES TO BELIEVE THE UNITED STATES IS
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ABSOLUTELY ESSENTIAL IN ANY ATTEMPT TO BRING PEACE TO THE MIDDLE EAST. WITH A NEW ADMINISTRATION READY TO TAKE OVER IN WASHINGTON, RELATIVELY FREE TO MOVE AS IT SEES FIT FOR THE NEXT FEW MONTHS, AND WITH THE SITUATION IN THE MIDDLE EAST UNUSUALLY FLUID RIGHT NOW, THE TIMING SEEMS PROPITIOUS. SAG IS VERY CONCERNED, HOWEVER, ABOUT THE POSSIBILITY OF A STRONG ANTI-BOYCOTT MOVE IN THE EARLY DAYS OF THE NEW CONGRESS WHICH MIGHT JEOPARDIZE THE NEW PRESIDENT'S ABILITY TO SUPPORT THE MIDDLE EAST PEACE MOVE. THAT SERIOUS CONCERN IS WHY MINISTER SOLAYM HAD APPROACHED ARAMCO, AND WHY PRINCE FAHD WOULD LIKE JUNGERS TO GO TO THE US AS SOON AS POSSIBLE TO DO HIS UTMOST TO COUNTER THE ANTI-BOYCOTT AND ANTI-ARAB CAMPAIGN. THE SAUDI POSITION AT THE QATAR OPEC MEETING HAD BEEN DESIGNED IN PART TO MAKE IT EASIER FOR THE CARTER ADMINISTRATION TO ADOPT A POSITIVE, HELPFUL POSITION CONCERNING MIDDLE EAST PEACE NEGOTIATIONS, AND AS ARAMCO CHAIRMAN, JUNGERS COULD EXPLAIN THAT DECISION WITH UNUSUAL AUTHORITY. PRINCE FAHD HOPED THAT JUNGERS WOULD GO TO WASHINGTON IN ORDER TO TALK TO KEY

CARTER AND OUTGOING ADMINISTRATION OFFICIALS AND CONGRESSIONAL LEADERS, AS WELL AS HOUSTON AND OTHER CITIES FOR MEETINGS WITH BUSINESS LEADERS. THE CROWN PRINCE WOULD LIKE JUNGERS TO REPORT BACK IMMEDIATELY UPON HIS RETURN.

6. THE MAIN THRUST OF JUNGER'S APPROACH SHOULD BE THAT HARSH ANTI-BOYCOTT ACTION BY THE CONGRESS WOULD JEOPARDIZE THE IMPRESSIVE POTENTIAL FOR US FIRMS IN SAUDI ARABIA (AN EVEN LARGER POTENTIAL FOLLOWING THE DOHA OPEC MEETING BECAUSE OF SAG'S DECISION TO GO ALL OUT TO INCREASE PETROLEUM PRODUCTION AND EXPLORATION). NOW, AMERICANS NEED NOT RISK THE LOSS OF ARAB BUSINESS IN ORDER TO REMOVE THE BOYCOTT BECAUSE OF THE FAVORABLE PROSPECTS FOR AN ARAB/ISRAELI PEACE AGREEMENT -- WHICH WOULD ELIMINATE THE NEED FOR THE BOYCOTT. SAG HOPES THAT INFLUENTIAL AMERICANS CAN CONVINCE MR. CARTER TO ASK DEMOCRATIC CONGRESSIONAL LEADERS TO HOLD OFF ANY ANTI-BOYCOTT ACTIONS FOR SIX MONTHS OR A YEAR WHILE HE TRIES TO ELIMINATE THE BASIC PROBLEM THROUGH MIDDLE EAST PEACE NEGOTIATIONS.
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END QUOTE

JUNGERS WILL COME TO SEE ME TOMORROW. HE WILL ALMOST CERTAINLY ASK ME TO ARRANGE MEETINGS FOR HIM WITH PRESENT AND FUTURE OFFICIALS OF STATE DEPARTMENT. AS HE IS REALLY AN EMISSARY OF PRINCE FAHD, I RECOMMEND HE BE GIVEN CAREFUL HEARING, HAVING IN MIND THAT ALTHOUGH HE IS CHAIRMAN OF ARAMCO BOARD HE NOW IN EFFECT WORKS FOR SAUDI ARABIAN GOVERNMENT. HE IS A DISCREET, SENSITIVE AND RELIABLE PERSON. HE IS INSTRUCTED TO REPORT BACK IMMEDIATELY TO FAHD ON HIS RETURN FROM THE US.
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